

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: Silvergate Capital Corporation, Debtor. Tax I.D. No. 33-0227337	Chapter 11 Case No. 24-12158 (___)
In re: Silvergate Liquidation Corporation, Debtor. Tax I.D. No. 33-0244449	Chapter 11 Case No. 24-12159 (___)
In re: Spring Valley Lots, LLC, Debtor. Tax I.D. No. 33-0830474	Chapter 11 Case No. 24-12157 (___)

**DEBTORS' MOTION FOR ENTRY OF AN ORDER
DIRECTING JOINT ADMINISTRATION OF CHAPTER 11 CASES**

The above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) respectfully state as follows in support of this motion (this “Motion”):

RELIEF REQUESTED

1. The Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), directing the joint administration of the above-captioned chapter 11 cases for procedural and administrative purposes only.

JURISDICTION AND VENUE

2. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334 and *Amended Standing Order of Reference* from the United States District Court for the

District of Delaware dated as of February 29, 2012. This is a core proceeding under 28 U.S.C. § 157(b). The Debtors consent under 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgment in connection herewith consistent with Article III of the United States Constitution. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The predicates for the relief requested by this Motion are sections 342(c)(1) of title 11 of the United States Code (the “Bankruptcy Code”), rules 1015(b) and 2002 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Local Rules 1015-1 and 9013-1.

BACKGROUND

4. On the date hereof (the “Petition Date”), the Debtors filed with this Court voluntary petitions for relief under Chapter 11 of the Bankruptcy Code (collectively, the “Chapter 11 Cases”).

5. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these Chapter 11 Cases, and no committees have been appointed or designated.

6. Additional information regarding the Debtors and these Chapter 11 Cases, including the Debtors’ businesses, operations, capital structure, financial condition and the reasons for and objectives of these Chapter 11 Cases is set forth in the *Declaration of Elaine Hetrick in*

Support of First Day Motions and Related Relief (the “First Day Declaration”)¹, filed contemporaneously herewith and fully incorporated herein by reference.

BASIS FOR RELIEF REQUESTED

7. Bankruptcy Rule 1015(b) provides, in relevant part, that “[i]f . . . two or more petitions are pending in the same court by or against . . . a debtor and an affiliate, the court may order a joint administration of the estates.” Fed. R. Bankr. P. 1015(b). In addition, Local Rule 1015-1 provides additional authority for the Court to order joint administration of the Chapter 11 Cases:

An order of joint administration may be entered, without notice and an opportunity for hearing, upon the filing of a motion for joint administration pursuant to Fed. R. Bankr. P. 1015, supported by an affidavit, declaration or verification, which establishes that the joint administration of two or more cases pending in this Court under title 11 is warranted and will ease the administrative burden for the Court and the parties.

Del. Bankr. L.R. 1015-1.

8. As set forth on Exhibit A to the First Day Declaration, Silvergate Capital Corporation directly or indirectly holds 100% of the equity interests in each of Silvergate Liquidation Corporation and Spring Valley Lots, LLC. As such, each of the Debtors are “affiliates” as that term is defined under Section 101(2) of the Bankruptcy Code. Thus, joint administration of the Chapter 11 Cases is appropriate under Bankruptcy Rule 1015(b) and Local Rule 1015-1.

9. Joint administration of the Debtors’ cases is warranted because it will ease the administrative burden on the Court and the parties. Joint administration of the Debtors’ Chapter 11 Cases will eliminate the need for duplicate pleadings, notices, and orders in each of the

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the First Day Declaration.

respective dockets and will save the Court, the Debtors, and other parties in interest substantial time and expense when preparing and filing such documents. Further, joint administration will protect parties in interest by ensuring that they will be apprised of the various motions filed with the Court with respect to each of the Debtors' Chapter 11 Cases. Therefore, joint administration of the Debtors' Chapter 11 Cases is appropriate under Bankruptcy Rule 1015(b) and Local Rule 1015-1.

10. In addition, the Debtors request that the Court maintain one file and one docket for all of the Debtors' Chapter 11 Cases under the case of Silvergate Capital Corporation, and that these Chapter 11 Cases be administered under a consolidated caption, as follows:

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

<p>In re:</p> <p>SILVERGATE CAPITAL CORPORATION, <i>et al.</i></p> <p style="text-align: center;">Debtors.¹</p>	<p>Chapter 11</p> <p>Case No. 24-12158 ()</p> <p>(Jointly Administered)</p>
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11. The Debtors also propose to include the following footnote in each pleading filed and notice mailed by the Debtors:

The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are as follows: Silvergate Capital Corporation (7337), Silvergate Liquidation Corporation (4449) and Spring Valley Lots, LLC (0474). The Debtors' mailing address is 4225 Executive Square, Suite 600, La Jolla, CA 92037.

12. The Debtors request that the Clerk of this Court make an entry on the docket of each of the Chapter 11 Cases, with the exception of Silvergate Capital Corporation, to reflect the joint administration of these Chapter 11 Cases substantially as follows:

The Bankruptcy Court has entered an order in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure directing the joint administration and procedural consolidation of the chapter 11 cases of Silvergate Capital Corporation and its affiliated debtors. The docket in Case No. 24-12158 (____) should be consulted for all matters affecting these cases.

13. The Debtors further request that the Court order that the foregoing caption and footnote satisfy the requirements of section 342(c)(1) of the Bankruptcy Code.

14. For the reasons set forth herein, the Debtors submit that the relief requested is in the best interest of the Debtors, their estates, creditors, and other parties in interest, and therefore, should be granted.

NOTICE

15. No creditors' committee, trustee or examiner has been appointed in these Chapter 11 Cases. Notice of this Motion has been provided to: (a) the U.S. Trustee; (b) the Internal Revenue Service; (c) the United States Department of Justice; (d) the United States Attorney for the District of Delaware; (e) the California Department of Financial Protection and Innovation; (f) the Federal Deposit Insurance Corporation; (g) the Federal Reserve Board of Governors; (h) the parties identified on the Debtors' list of 20 largest unsecured creditors; and (i) if not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002. As this Motion is seeking "first day" relief, within forty-eight (48) hours of the entry of an order with respect to this Motion, the Debtors will serve copies of this Motion and any order entered with respect to this Motion as required by Local Rule 9013-1(m). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be provided.

NO PRIOR REQUEST

16. No prior request for the relief sought in this Motion has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order, substantially in the form attached hereto, granting the relief requested in this Motion and such other and further relief as the Court deems appropriate under the circumstances.

Dated: September 17, 2024
Wilmington, Delaware

/s/ Michael J. Merchant

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*Proposed Attorneys for the
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Exhibit A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

<p>In re:</p> <p>Silvergate Capital Corporation,</p> <p style="text-align: right;">Debtor.</p> <p>Tax I.D. No. 33-0227337</p>	<p>Chapter 11</p> <p>Case No. 24-12158 (___)</p>
<p>In re:</p> <p>Silvergate Liquidation Corporation,</p> <p style="text-align: right;">Debtor.</p> <p>Tax I.D. No. 33-0244449</p>	<p>Chapter 11</p> <p>Case No. 24-12159 (___)</p>
<p>In re:</p> <p>Spring Valley Lots, LLC,</p> <p style="text-align: right;">Debtor.</p> <p>Tax I.D. No. 33-0830474</p>	<p>Chapter 11</p> <p>Case No. 24-12157 (___)</p>

**ORDER DIRECTING JOINT
ADMINISTRATION OF THE DEBTORS' CHAPTER 11 CASES**

Upon the motion (the “Motion”)¹ of the Debtors for entry of an order (this “Order”) directing the joint administration of the above-captioned chapter 11 cases (these “Chapter 11 Cases”) for procedural and administrative purposes only, as more fully set forth in the Motion; and the Court having reviewed the Motion and the First Day Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and the Court having found that this

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that this Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary, except as set forth in the Motion with respect to entry of this Order; and upon the record herein; and after due deliberation thereon; and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest, it is hereby

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED as set forth herein.
2. The above-captioned Chapter 11 Cases shall be consolidated for procedural purposes only and shall be jointly administered by the Court under the case number assigned to Silvergate Capital Corporation, Case No. 24-12158, and the consolidated caption of the jointly administered cases should read as follows:

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SILVERGATE CAPITAL CORPORATION, *et al.*

Debtors.¹

Chapter 11

Case No. 24-12158 ()

(Jointly Administered)

3. The caption shall include the following footnote in each pleading filed and notice mailed by the Debtors:

The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are as follows:

Silvergate Capital Corporation (7337), Silvergate Liquidation Corporation (4449) and Spring Valley Lots, LLC (0474). The Debtors' mailing address is 4225 Executive Square, Suite 600, La Jolla, CA 92037.

4. The foregoing caption and footnote satisfy the requirements set forth in section 342(c)(1) of the Bankruptcy Code and Bankruptcy Rule 2002(n).

5. A docket entry shall be made in each of the Chapter 11 Cases, except that of Silvergate Capital Corporation, substantially as follows:

The Bankruptcy Court has entered an order in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure directing the joint administration and procedural consolidation of the chapter 11 cases of Silvergate Capital Corporation and its affiliated debtors. The docket in the case of Silvergate Capital Corporation, Case No. 24-12158 (____) should be consulted for all matters affecting these cases.

6. The procedural consolidation shall be for administrative purposes only and nothing contained in the Motion or this Order shall be deemed or construed as directing or otherwise effecting the substantive consolidation of the Chapter 11 Cases.

7. The Debtors are authorized and empowered to take all actions necessary to implement and effectuate the relief granted in this Order.

8. This Order shall take effect immediately upon entry.

9. This Court retains jurisdiction with respect to all matters arising from or related to the enforcement of this Order.